

# **INFORMATION SERVICES INDUSTRY**

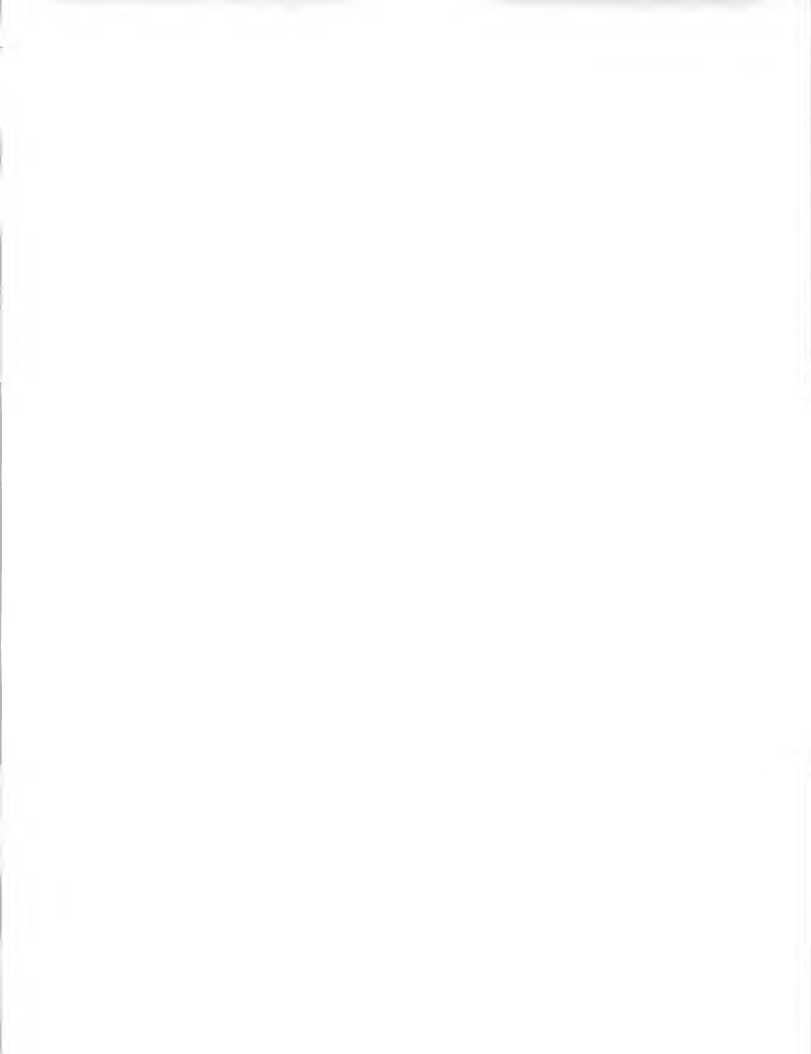
**Peter Cunningham  
President**



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## **AGENDA**

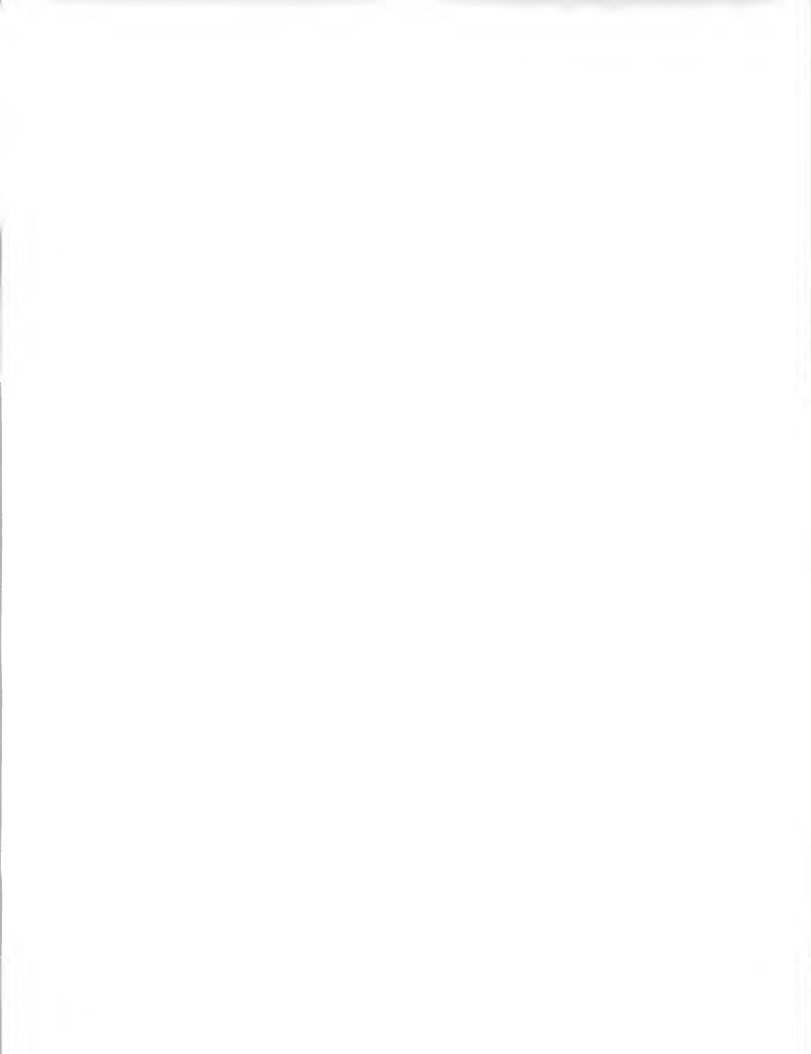
- **Introduction**
  - **Industry Performance**
  - **Conclusion**
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## **1986 ISSUES**

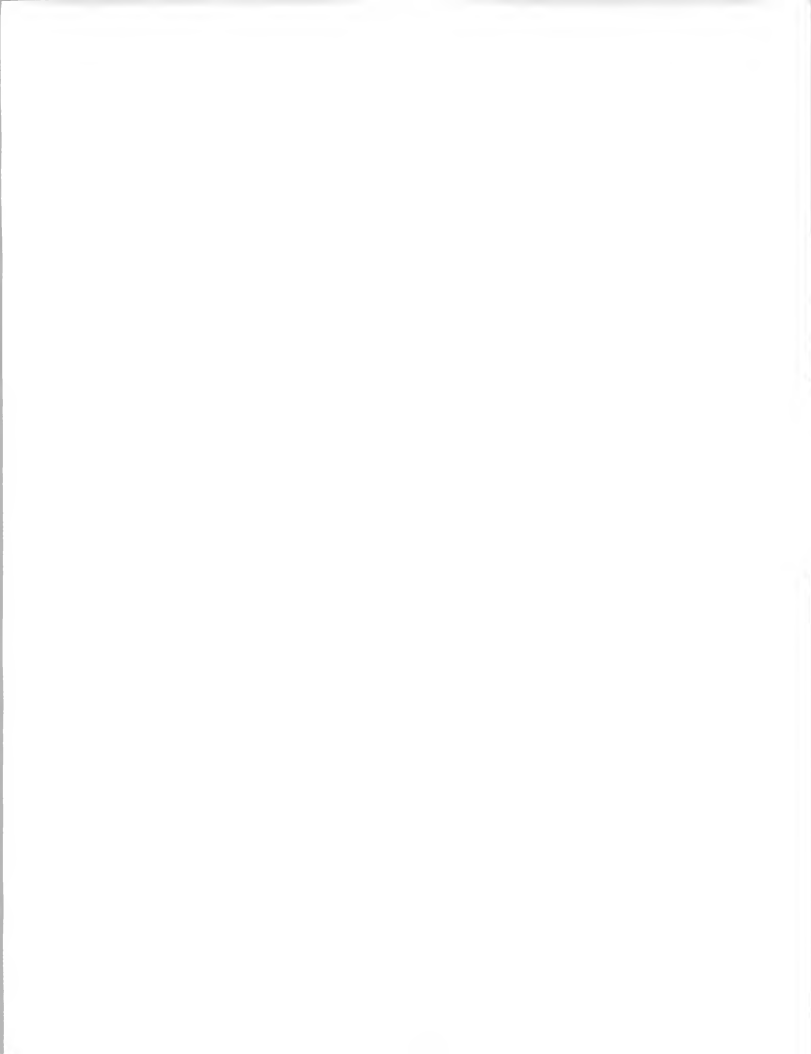
- **U.S. Economy: Still Not On Track**
  - **Information Services Industry Re-Shaping**
  - **Technology/Price/Performance Curve Continues**
  - **Merger and Alliance Activity Quickens**
  - **Software Saturation**
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## **NEGATIVE MARKET FORCES**

- **Uncertainty Continues**
  - **Product Complexity**
  - **Technology Digestion**
  - **Power/Purchase Authority**
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## **POSITIVE MARKET FACTORS**

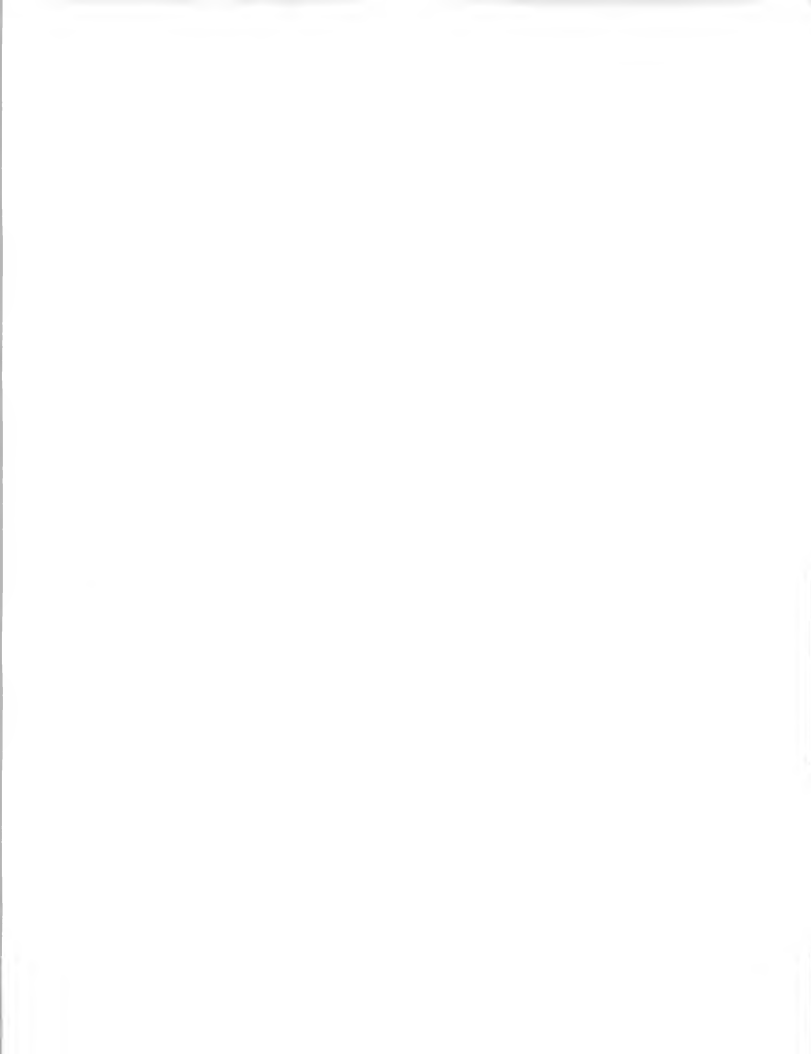
- **Large Scale Programs**
- **Competitive Advantage**
- **More Decision-Makers**
- **Demand Continues**
- **Opportunities**
  - **Connectivity**
  - **Distribution**
  - **Departmental**



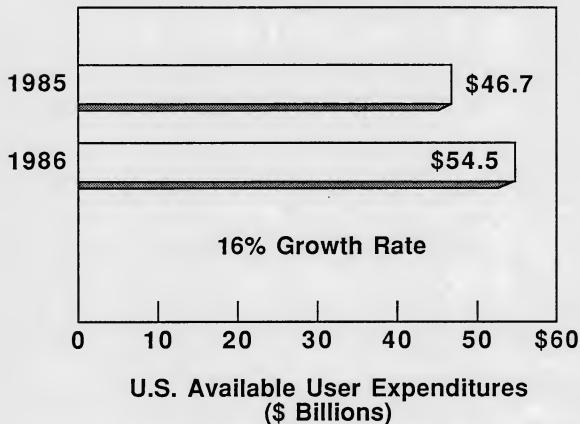
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# **INDUSTRY PERFORMANCE**

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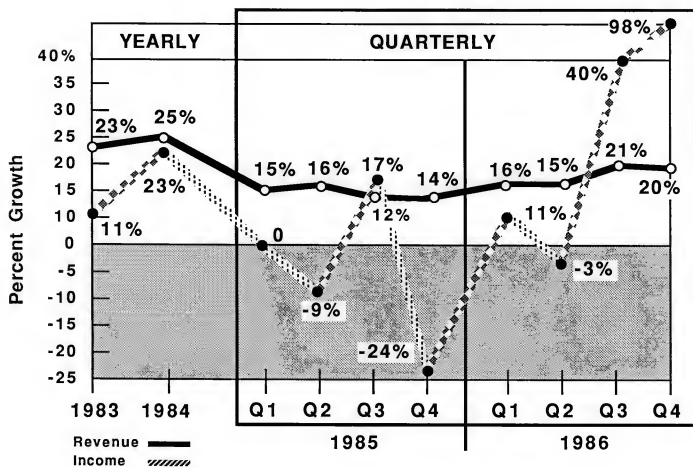


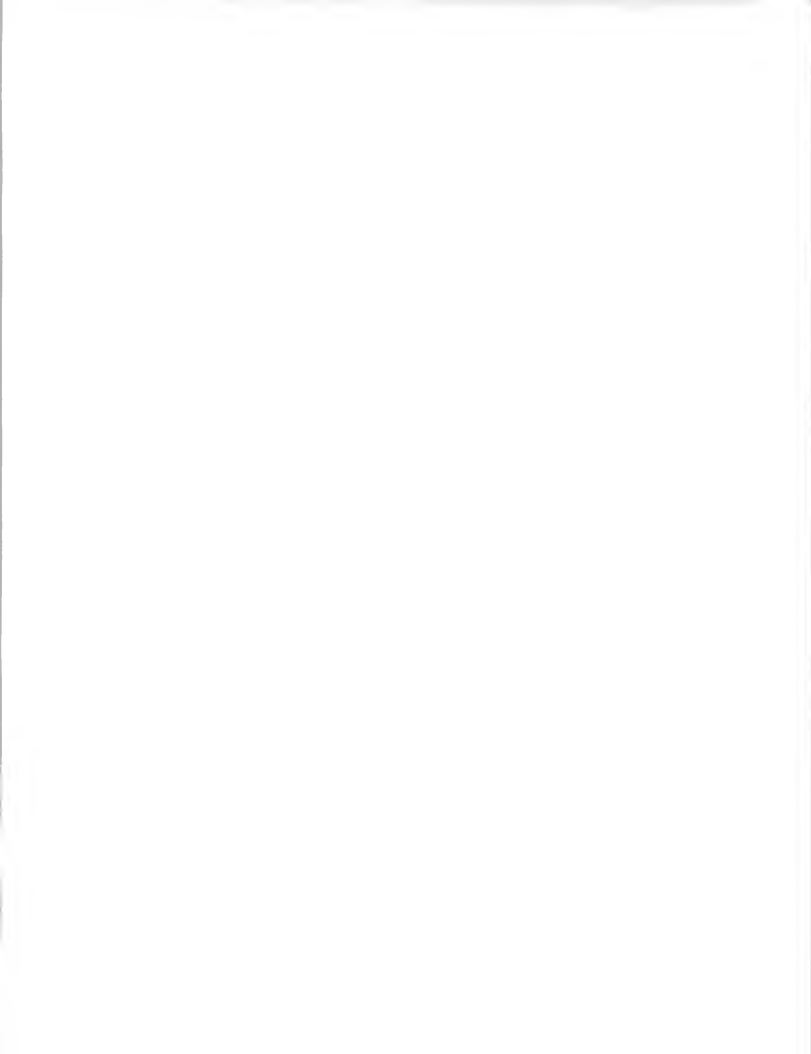
## INDUSTRY PERFORMANCE





## PUBLIC INFORMATION SERVICES VENDORS



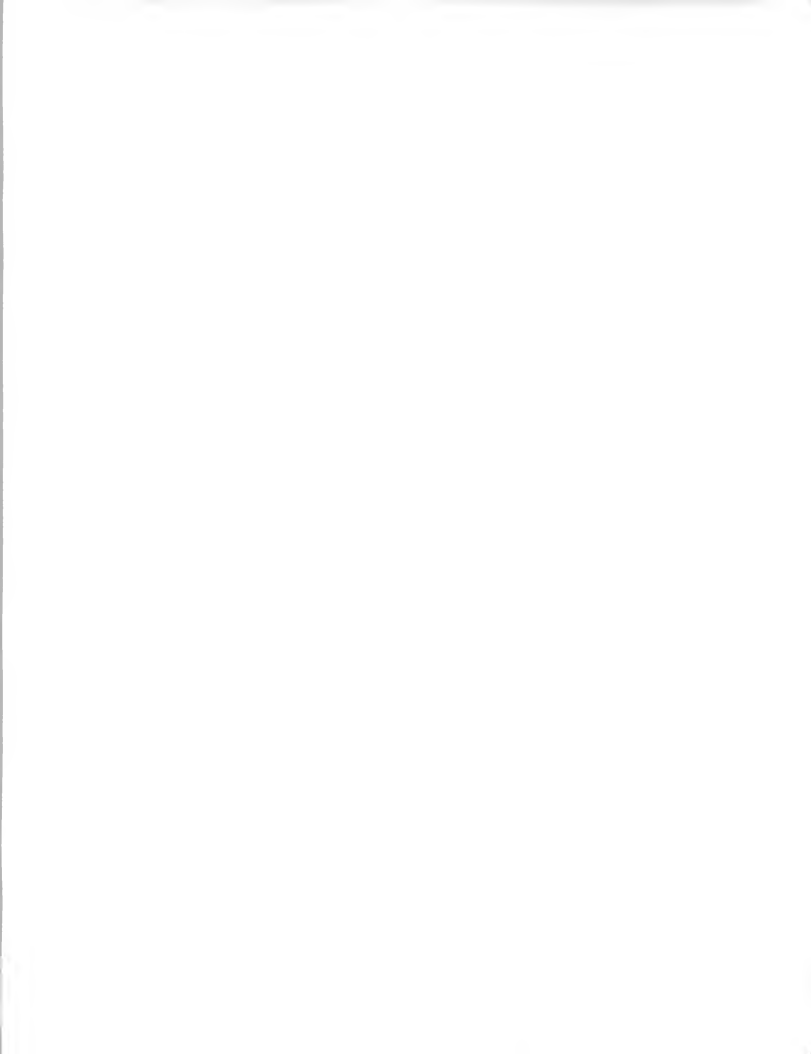




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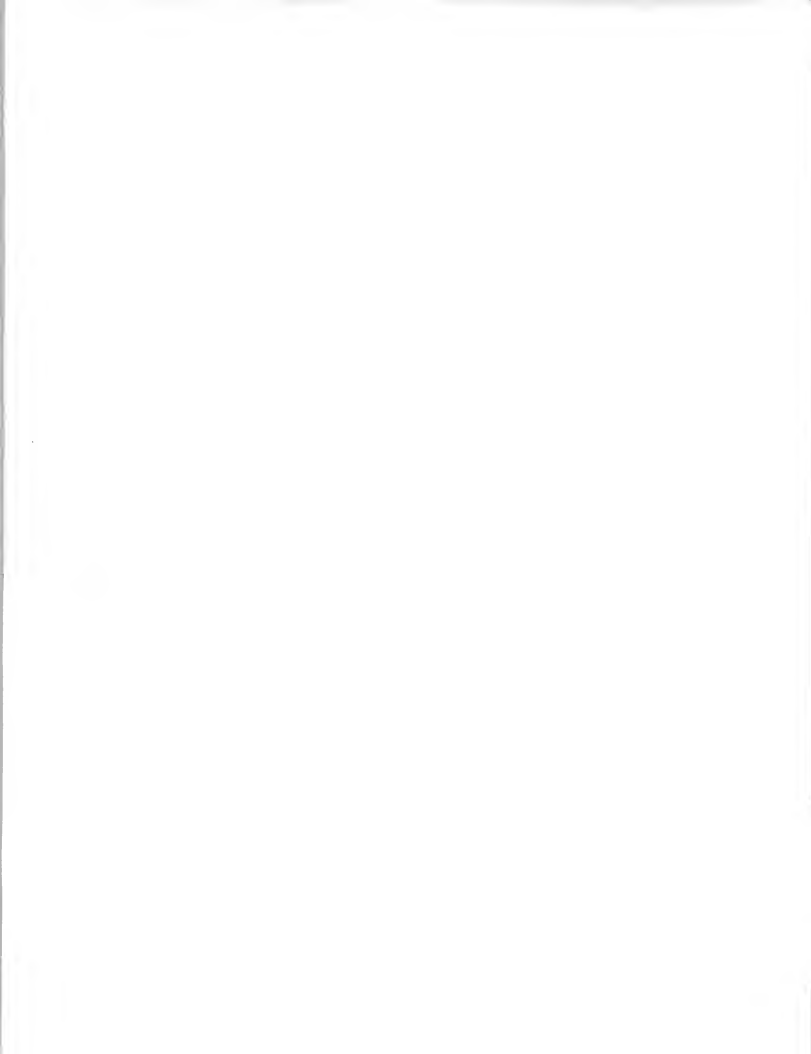
**PERFORMANCE  
BY TYPE OF  
COMPANY**

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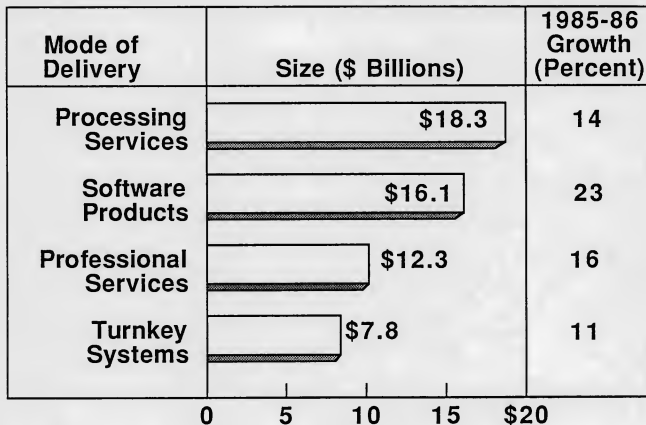


## NUMBER OF COMPANIES BY DELIVERY MODE-1986

Mode of Delivery	\$ Revenue \$M	Number of Companies
Processing Services	<10M >10M	2010 100
Software Products	<10M >10M	2600 105
Professional Services	<10M >10M	1440 115
Turnkey Systems	<10M >10M	1110 52
Total		7532

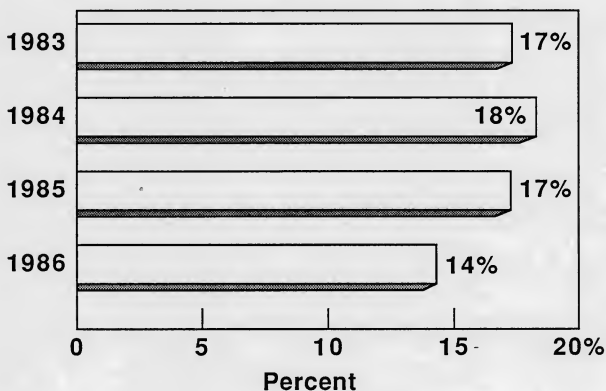


## INDUSTRY SIZE AND GROWTH 1986





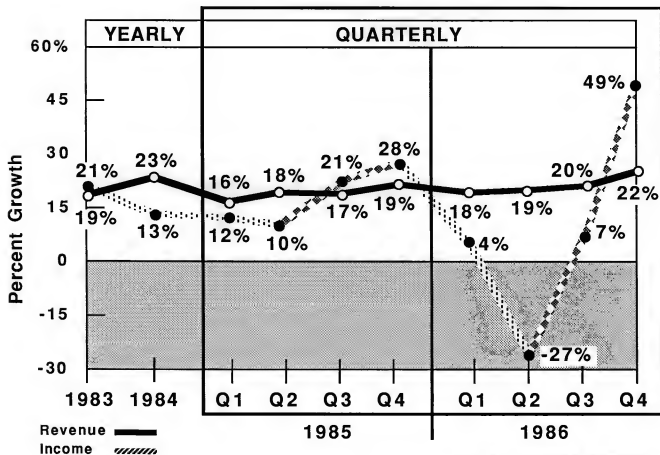
## PROCESSING SERVICES COMPANIES ANNUAL REVENUE GROWTH



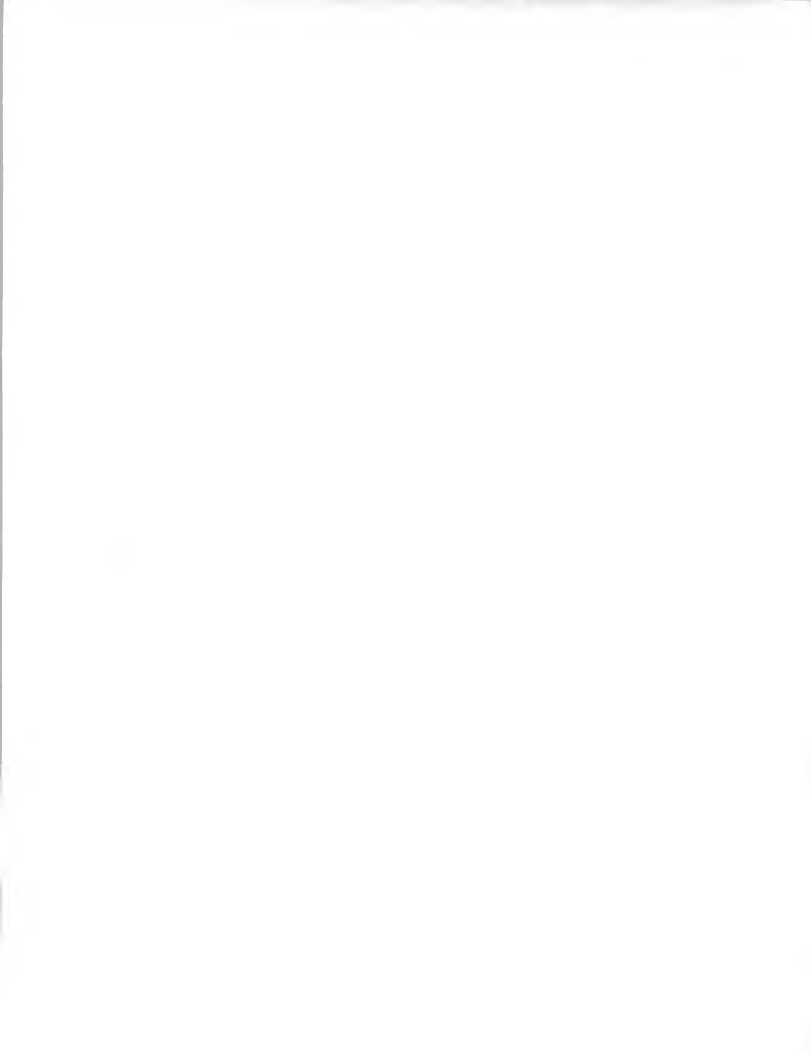




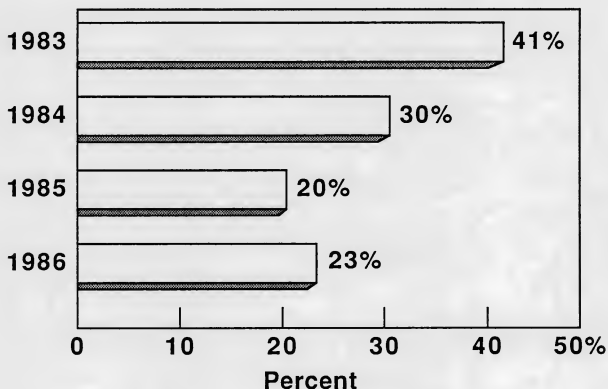
## PUBLIC PROCESSING/NETWORK SERVICES VENDORS



NOTE: Excludes Anacomp

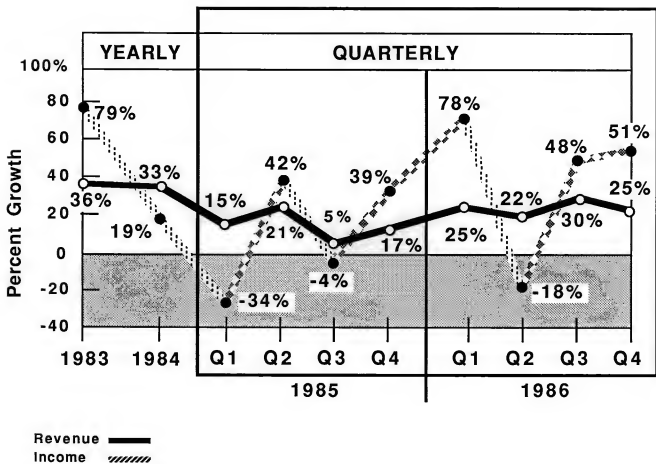


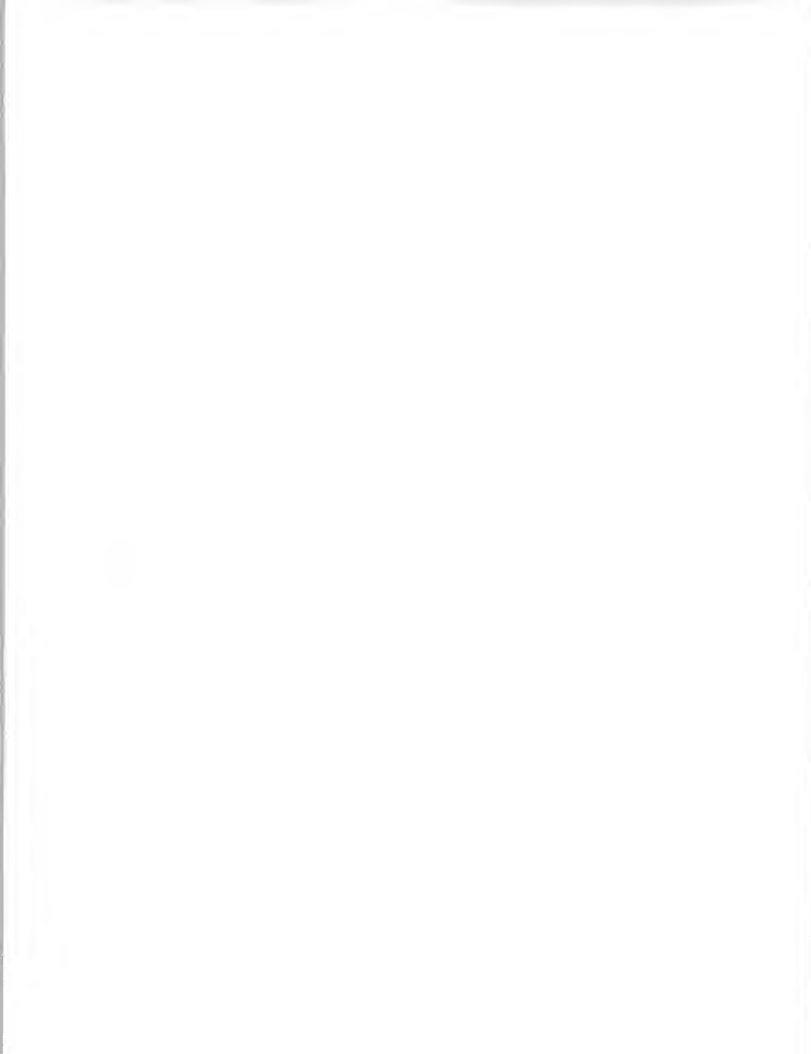
## SOFTWARE PRODUCTS COMPANIES ANNUAL REVENUE GROWTH



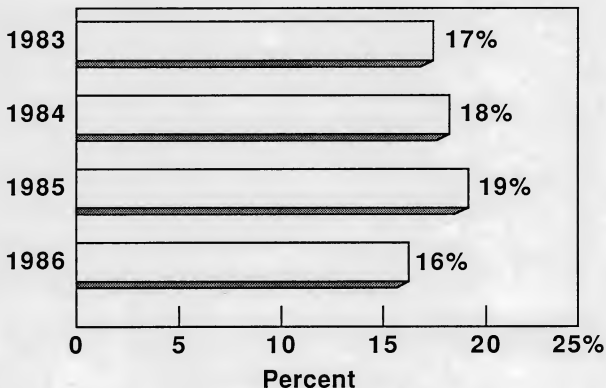


## PUBLIC SOFTWARE PRODUCTS VENDORS





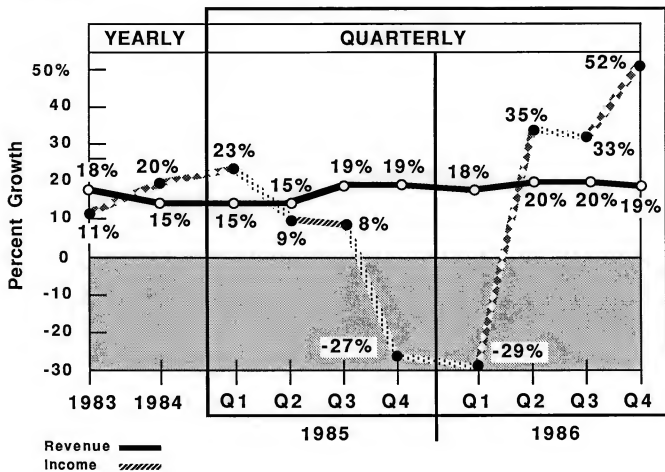
## PROFESSIONAL SERVICES COMPANIES ANNUAL REVENUE GROWTH

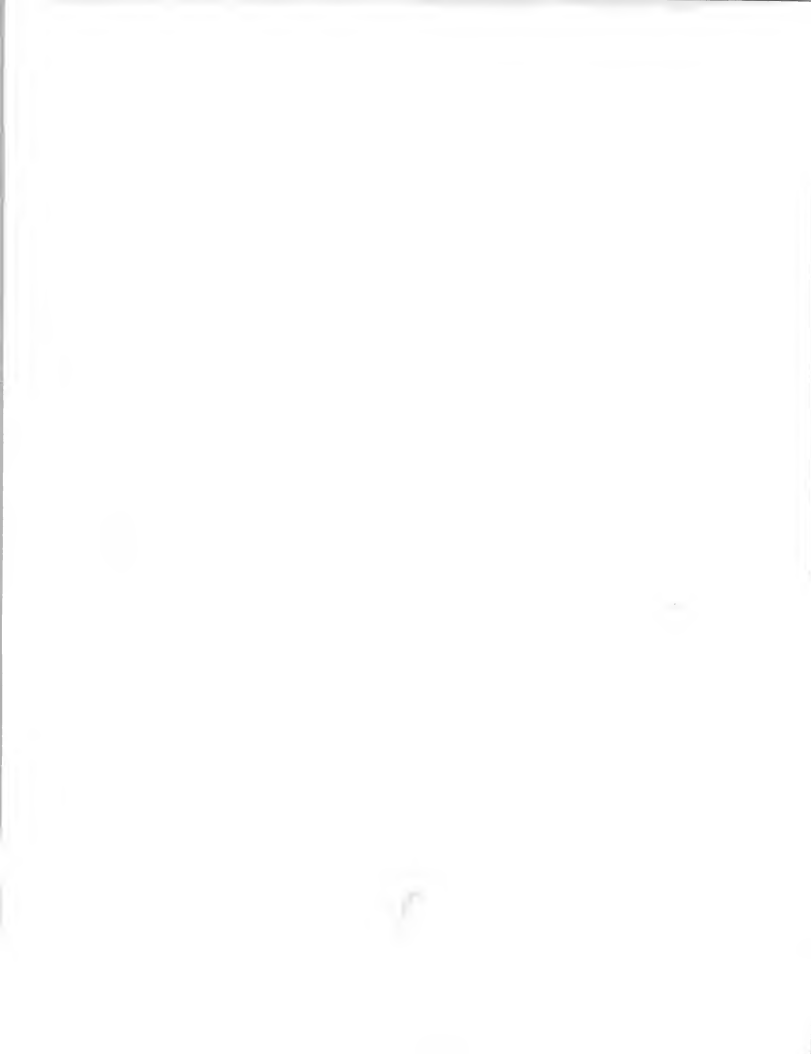




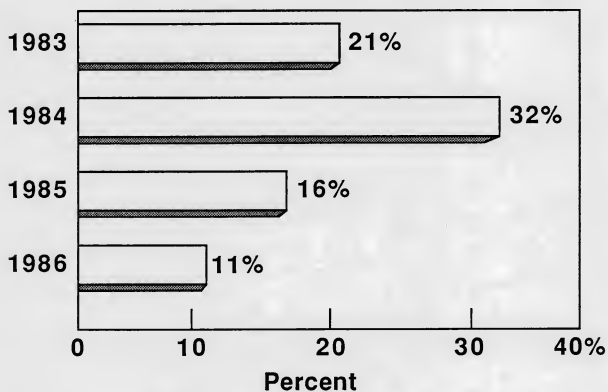


## PUBLIC PROFESSIONAL SERVICES VENDORS



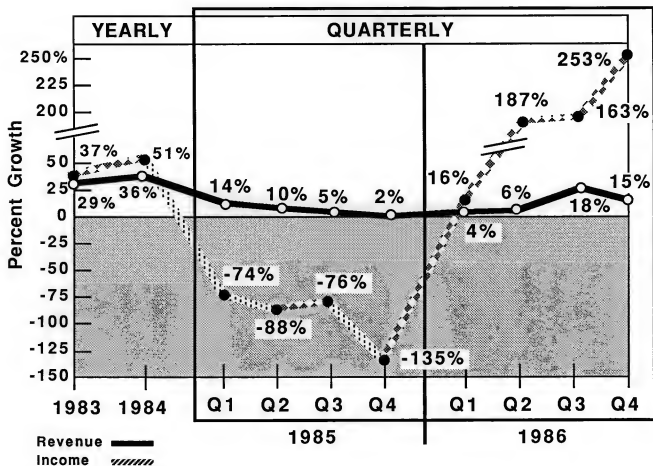


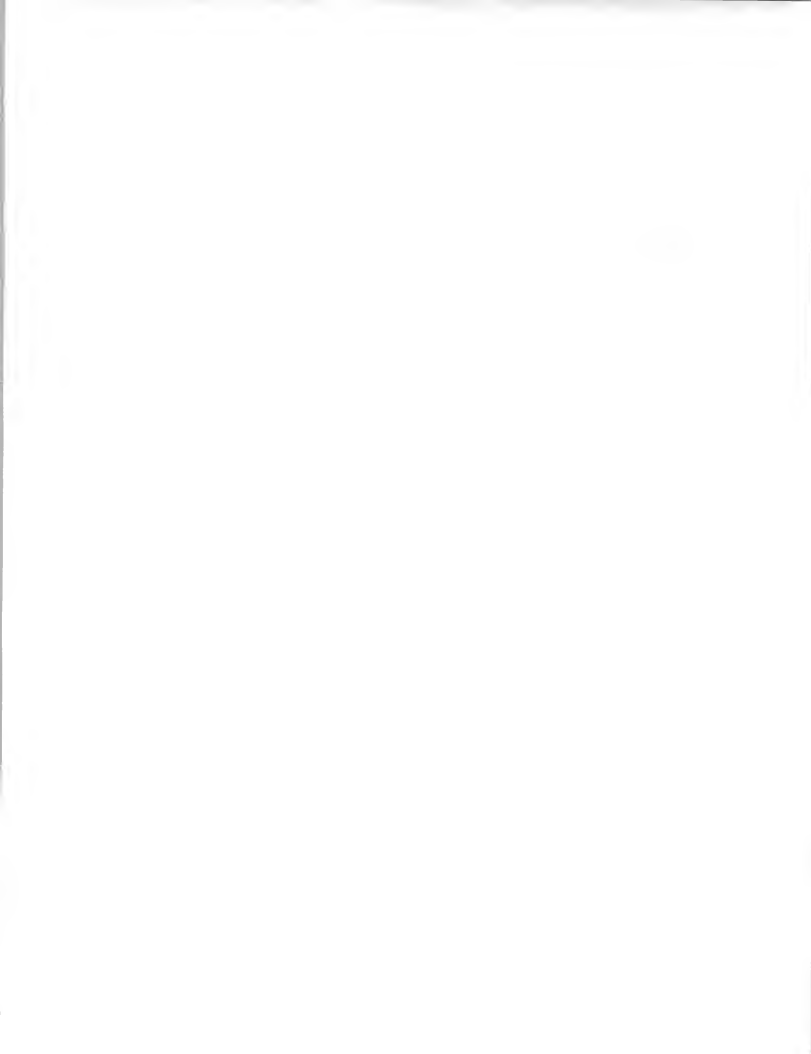
## TURNKEY SYSTEMS COMPANIES ANNUAL REVENUE GROWTH





## PUBLIC TURNKEY SYSTEMS VENDORS

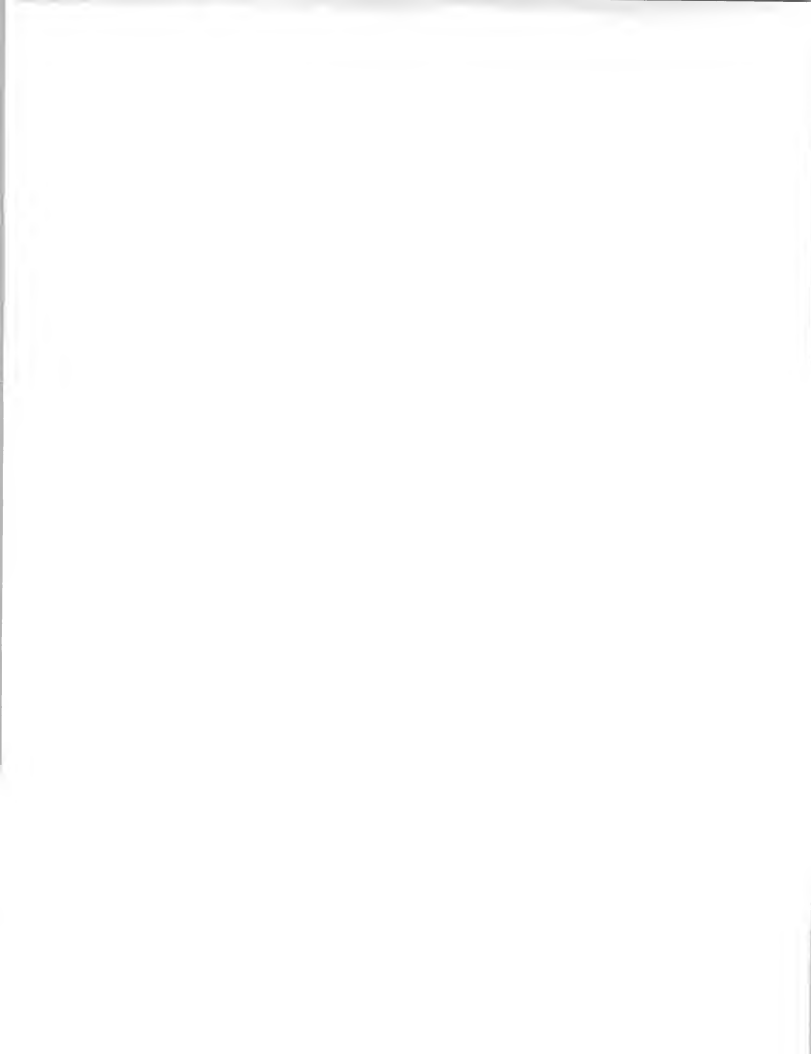




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## **CONCLUSIONS**

- **"Slowdown" Finished in 1985**
- **Strategic Relations/Mergers Continue**
- **User Sophistication Growing**
- **Rate of Change Accelerating**





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## **1987 FORECAST**

- **Growth Accelerating**
- **Problems Being Solved**
- **Long Term Outlook Positive**

